

PROFILE

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A Newsletter of Blue Cross and Blue Shield of Florida

April 20, 1987

Confusion may be the 'catastrophe' of Medicare changes

Will America's elderly have "peace of mind," as President Reagan promises with his plan for catastrophic illness?

Many people already believe incorrectly that Medicare and supplemental insurance cover long-term care. In fact, half of long-term nursing expenses is paid from personal savings, Medicaid covers 41.5 percent, and Medicare covers only 2.1 percent.

Reagan's plan to restructure Medicare could cause more confusion. It sounds good, but it doesn't cover long-term care, extended illnesses such as Alzheimer's disease, and other types of custodial care. It doesn't cover the 20 percent of Medicare beneficiaries who are neither protected by private supplemental insurance nor covered by Medicaid.

The plan includes Health and Human Services Secretary Otis Bowen's proposal for an additional \$4.92 per month in Medicare premiums (above the current \$17.90 for Part B). It would cover an unlimited number of days of hospital care, and a maximum \$2,000 a year in out-of-pocket expenses.

The plan would educate the public about the risks of being without catastrophic coverage. It would urge states to mandate that such coverage be offered with all employer-provided insurance, and to form risk pools for the medically uninsurable. It also would study tax-favored personal savings for long-term care, and it would encourage Medicare beneficiaries to enroll in private health plans.

But it doesn't cover the biggest contributions to catastrophic health bills—nursing home costs, which average

\$22,000 a year; outpatient prescription drugs; and doctors' charges in excess of those deemed reasonable by Medicare. Reagan recommends separate action on long-term care for persons under age 65.

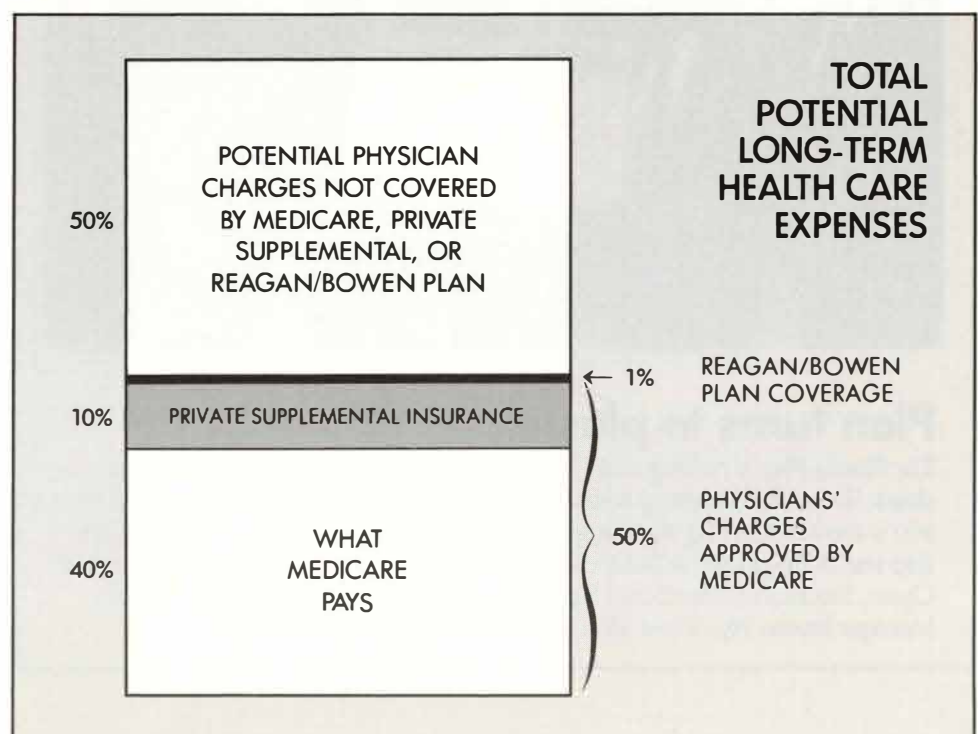
A similar plan offered by Congressmen Pete Stark (D-Calif) and Willis Gradison (R-Ohio) would limit out-of-pocket expenses to a maximum \$1,000. A proposal by Senate Majority Leader Bob Dole and four other Republicans would limit it to \$1,800 and expand the home health care benefit, among other features, for an extra \$8.70 a month.

It's probable that some "catastrophic" plan will become law. Before and after the fact, it means a lot of planning and hard work for Blue Cross and Blue Shield of Florida.

A catastrophic care ad hoc committee has been meeting bi-weekly to stay abreast of legislative proposals. They'll determine how best to maintain maximum protection for the 250,000 people we insure with complementary coverage, and they'll discuss product modifications that might be necessary. If a bill is passed, BCBSF will have to educate consumers as to what it means for them.

A serious concern is that some people might be misled into dropping their supplemental coverage, thinking the new law gives adequate protection. In reality, the Bowen proposal would provide about a tenth of what supplemental insurance covers, or only one percent of a person's potential long-term needs.

(Continued)



BCBS NEWS

Wall Street Journal praises BCBSA testing guidelines

The BCBSA's new diagnostic testing guidelines are "the right thing to do," a Wall Street Journal editorial said. There's a risk with fewer tests, and insurers shouldn't practice medicine, the WSJ said, adding, "It's precisely for fear of intruding too far...that the government, the nation's largest insurer, perhaps could never take this kind of step. But the Blues legitimately can and neatly have. They could well turn out to cut costs and raise the quality of medical practice in the same stroke."

BCBSA president Bernard R. Tresnowski said cost savings will come from fewer tests, not from claims denials. An executive of the American College of Physicians, which jointly issued

the guidelines with BCBSA, said they're educational tools for appropriate care, not inflexible reimbursement standards.

The president of the Washington Business Group on Health said many tests are performed to protect doctors against malpractice lawsuits. A Stanford University medical professor who edited the guidelines said they could change community standards and give doctors "more freedom to withhold testing for so-called defensive purposes."

For now, only an off-hand comment...

Why not apply a tax to health insurance premiums and force the insured to underwrite care for the indigent? Congressman Pete Stark (D-Calif) said that during a recent health subcommittee hearing. It was basically an off-hand comment, but it's indicative of his attitude toward the insurance industry.

The hearing considered ideas to fund a national pool for indigent care. Reviewing Florida's program that imposes a 1.5 percent tax on net hospital revenues, Stark said he opposes that approach because it represents a sick tax.

Customer Service

Thanks for caring

From a letter about Dee Bryant (Customer Service Representative, Tallahassee): "As with most senior citizens, we too are in the 'binding boat,' and there is a pinch when claims go unnoticed or lost. (She) was extremely courteous, proficient, and above all, caring."

Superior Customer Service

It means no worries for me. When I can turn to a service provider with confidence that the situation will be resolved to my satisfaction, and fairly. That's superior customer service.

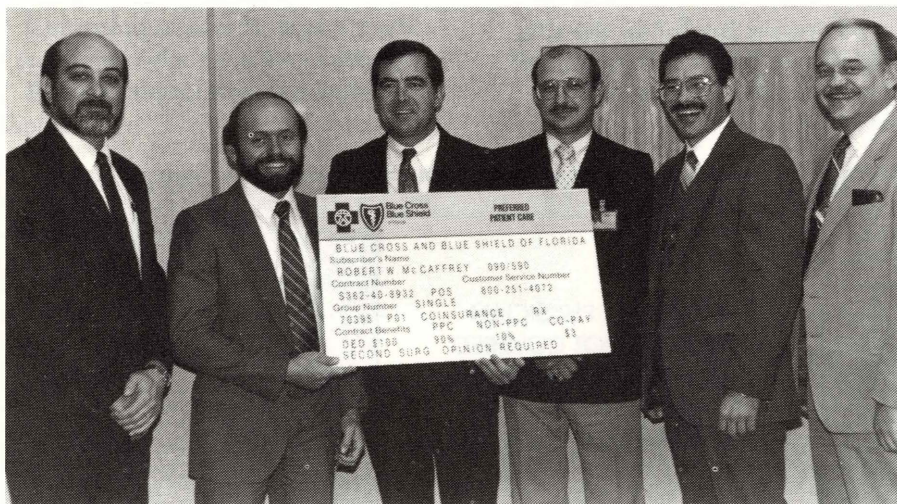
D. Keith Hilley
Systems Services

An asset worth noting

For her help settling \$243,500 in claims, Bea Schemer (HIS Field Service Representative, Orlando) was praised by a PPO director for her much appreciated cooperation and for being "a definite asset to our relationship."

Tributes to Medicare B

Customer Service Representatives Kim Douglas, Jennie Magriplis and Patty Hill received letters from beneficiaries for their help and genuine concern. Pat Cash (Secretary, HCFA Representative) was commended by U.S. Senator Lawton Chiles. Manager Karen Tingen and her staff, for helping providers and beneficiaries understand our efforts to provide superior customer service.



Plan turns to plastic

The Florida Plan is "rolling over" subscribers with managed care products to plastic ID cards. Marketing Senior Vice President Robert W. McCaffrey (3rd from left) is shown receiving the inaugural, non-wallet-size issue from (l-r) Membership and Billing Director Mario Rubio, EDP Systems and Programs Manager Jeff Clyatt, Stockroom Warehouse Supervisor Joe Giroux, Small Group Products Manager Steven Hyers and Mail Operations Manager Fred Gatlin.

Fire Drill A Success

More than 2,000 employees vacated BCBSF's home office in 11 minutes April 9, during the first fire drill in several years. It went smoothly except that some alarms weren't heard. That's being corrected, said Manager of Safety and Security Michael Legan. Everyone was back to work within a half-hour.

An employee's view St. Petersburg



by Evelyn Bryant

The big story in the St. Petersburg office is reorganization. Once the master plan congeals in mid-June, Customer Service will be the only unit remaining in St. Pete.

Group Sales (Marketing) packed up on March 27th. They're joining Health Industry Services, who moved several weeks ago. Both are temporarily located in the Tampa Mariner Street office until the new facility for all Tampa personnel is ready for occupancy.

During the past four years, the St. Petersburg facility also housed Rate Review and Audit, Provider Automated Services and Preferred Patient Care. Reorganization will mean severing some long-standing office relationships. Probably most affected will be Marketing and Customer Service. Over the years, they've been interdependent in resolving group claims and enrollment problems. Customer Service will surely miss the convenience of enrollment files on the premises.

Especially missed will be Betty Peltier, who's had the dual role of branch manager's secretary and Group Sales section leader for more than 10 years. Betty's knack for decorating always created a cheerful atmosphere during holidays and other special occasions. Her multiple talents will now benefit the Tampa branch as she settles in as section leader with an altogether new crew. Betty says she'll feel "like a new employee," since no field group specialists moved to Tampa. Christi Jones resigned in March, seeking new horizons in Texas, and Jan Decatur transferred into a new position as service representative. Jan is now licensed to sell life and health insurance, in addition to serving presently enrolled groups.

Despite the cramped temporary quarters, the general consensus among sales reps is that it will afford better communications between them and Director Greg Carter, with everyone in the same location. Also, most of them live in or near Tampa.

As office personnel dwindle in number, Customer Service remains intact as a close-knit group. We're looking forward to the change of scenery. Although we'll be only a short distance from the present office, it will be totally new surroundings, closer to shopping and a variety of eateries. A major plus will be the in-office restroom—no more "going down the hall."

We shall rise to meet the new challenge with optimism.

'catastrophe'

(Continued from page 1)

(Medicare allows physician charges for about half of the care a person might need during a long-term illness, and it pays for 80 percent of that coverage.)

The Bowen proposal states that some supplemental plans provide inadequate benefits coverage. But BCBS Plans, which serve about 45 percent of all Americans who have Medicare supplemental insurance, feel that the criticism doesn't apply to them.

The Blue Cross and Blue Shield Association feels that BCBS Plans and other insurers currently offer Bowen-equivalent coverages, and that new products are being developed that far exceed Bowen's Plan. The Association favors a government net for people who can't afford supplemental protection, and examination of the private insurers who don't meet minimum standards for coverage.

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Committee members are Senior Markets Director Bill Simek, Direct Marketing Vice President Warren Hunter, Medical Program Vice President Dr. Mike Jenkins, National Accounts Manager Helen Applegate, Government Programs Director Charles Scott, Associate Actuary David Bond, and Market Research Director Chuck McMillin.

Pensacola Employee Honored



Effie Oates, a customer service representative with HIS Field Services in Pensacola, recently spoke to 100 students and faculty members at Pensacola Junior College, where she'll receive an associate degree in business. Joining a speakers' panel was a first for the 10-year employee of BCBSF, but she performed admirably, as audience members attested. Ms. Oates spoke about her education, job and career plans, contributions to her success, and what employers seek when hiring.

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Jean McComb, Manager
Frank Dorman, Editor

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Anniversaries

25 YEARS

Doris P. Turner
Motors Dedicated Unit

20 YEARS

Fannie M. Thomas
Motors Dedicated Unit

Barbara Wilson
Telephone Information
Area II

15 YEARS

Thelma Adkins
Private Business Claims

Sandra Covington
Private Business Claims
Exam Entry III

Deborah Cummings
NPC Disallows

Lois Devoe
Private Business Records

John Floyd
Production and Change
Control

Freddie Johnson
Prescription Drug Claims

Karen Jordan
Computer Operations
Administration

Joyce King
Customer Service
Department

George Richardson
Jacksonville Audit Branch

10 YEARS

Ronella Coney
Tampa District Office

Carolyn Douglass
Northern Region Major
Accounts

Edward Evans
Tallahassee District Office

Debra Hannah
HOI — Human Resources

Darlene Johnson
Med B —
Communications Unit I

Jacqueline Johnson
Inpatient/Outpatient Proc.

Rosemarie Lato
FEP Supplemental Claims

Susan Marculaitis
Ft. Myers District Office

Gwendolyn Reese
Blue Cross Claims Unit II

Kathryn Ripper
Telemarketing —
Outboard Sales

5 YEARS

Glenn Clingenpeel
Reimbursement Unit

Robert Macina
Legal Staff

Delfina McGriff
Motors Dedicated Unit

Sabrina Mims
Medicare B Claims
Examining

Nancy Prosser
PAS — Software
Development

Reginald Rogers
Health Options of
Jacksonville

Dawn Snowden
HIS Field Support

Diana Tomaino
Information Department

Evelyn Turner
Medicare B Claims
Examining

NEW EMPLOYEES

Frank Amrine
Assistant Actuary
Actuarial

Eve Bennett
Clerk B Mail Operations
Second Shift

Jennifer Berry
Customer Service Rep A
Med B Telecommunica-
tions Unit IV

Annie Collins
Housekeeper
Housekeeping

Jessica Dunahoe
Customer Service Rep A
Med B Telecommunica-
tions Unit IV

Leslie Florence
Customer Service Rep A
Jacksonville District Office

Elizabeth Ford
Field Service Rep — HMO
Health Option of
Jacksonville

Kevin Ford
Burst Operator
Computer Operations
Administration

Olis Garber
Sr. Data Base Analyst
Data Base Administration

Cheryl Jackson
Customer Service Rep B
Tallahassee District Office

Renee Karp
Sr. Sales Representative
Miami District Office

Charlie Kirksey, Jr.
Customer Service Rep A
Med B Telecommunica-
tions Unit VI

Thomas Lesnak
Technical Analyst I
HOI MIS

Shirlyne McCray
Customer Service Rep A
Med B Telecommunica-
tions Unit IV

Gregory McIntire
HR Planning Specialist
Organization Personnel
Development

Georgette Medows
Customer Service Rep A
Med B Telecommunica-
tions Unit VI

Tisha Mooring
Clerk B Microfilm
Retrieval Second Shift

Leah Newsome
Clerk B Mail Operations
Second Shift

Thomas Ronan
Clerk B Medicare B Mail
Operations

William Russell
Claims Examiner B
HO South Florida

Shirley Shaw
Secretary A
Program Administration

Francis Shine
Market Research Analyst
Market Research

Daphne Silva
Customer Service Rep A
Med B Telecommunica-
tions Unit VI

Sandra Smith
Health Industry Analyst
Intervention I

PROMOTIONS

Lorense Blow, Jr.
Technical Analyst II
Systems Services

Christine Clifford
Customer Service Rep F
Med B Telecommunica-
tions Unit VI

Wendy Hanner
Customer Service Rep A
Med B Telecommunica-
tions Unit VI

Gertrude McCall
Word Processing
Technician
Word Processing Center

Albert Pfeiffer
Accounting Analyst B
PAS — Controller Office

Kenneth Reese
Customer Service Rep A
Med B Telecommunica-
tions Unit VI

Shanna Stanley
Customer Service Rep A
Med B Telecommunica-
tions Unit VI

Katherine Weeks
Customer Service Rep A
Med B Telecommunica-
tions Unit VI

Joanna White
Accounting Clerk C
National Accounts
Receivable

TRANSFERS

Elizabeth Baltazar
Research Clerk B
ASP State Group
Correspondence

Deborah Rosendale
Executive Secretary A
VP — Sales